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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

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Division Director

April 29, 2016

Joseph Scott Rees
Round Valley Rock, Inc.
2235 East Rees Lane
Morgan, Utah 84050

Subject: First Review of Amended Notice of Intention to Commence Large Mining Operations, Round Valley Rock, Inc., Round Valley Rock Mine, M/029/0004, Morgan County, Utah

Dear Mr. Rees:

The Division of Oil, Gas and Mining has reviewed the submittal received on February 5, 2016, regarding the Notice of Intention to Commence Large Mining Operations (NOI), and the following items will need to be addressed before the NOI can be determined complete:

1. Based on the cost discrepancy between the current reclamation surety (\$67,200) held by the Division and the proposed surety, the Division needs to receive an interim surety until the NOI and the reclamation cost estimate are finalized. Please include the indirect costs (see comment 2 below) (lah) and **submit the additional surety by June 2, 2016.**
2. Reclamation cost estimates need to contain indirect costs, including escalation, as per the "Bond Total Worksheet" on the Division's web page. The current rate is 26.8% plus escalation (whw). The escalation rate is 0.07 percent.
3. Please include the changes to the text, additional maps and appendixes as per R647-4 (lah). **Please submit the changes by July 7, 2016.**

Please provide your response as replacement pages for the original NOI, using Form MR-REV, available on the Division's web page at www.ogm.utah.gov.

Please call Leslie Heppler at 801-538-5257 or me at 801-538-5261 if you have questions regarding this letter. In reply, please refer to file number M/029/0004. Thank you for your cooperation.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB: lah: eb
cc: grant@morgan_county.net, Ken George Holcim(US) Inc.
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